श्री सभापति : मैं समझता हूं कि नैक्स्ट सेशन में इस पर हाफ – एन – आवर डिसकशन रखेंगे, जिसमें सब चर्चा हो जाएगी। नैक्स्ट क्वैश्चन 303, डा. अखिलेश दास।

Setting up of Export Credit Guarantee Corporation

*303. DR. AKHILESH DAS: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have decided to set up an Export Credit Guarantee Corporation, with a National Exporters Insurance Fund of Rs. 2000 crore; and

(b) if so, the constitution, objects, functions and *modus operandi* thereof?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH): (a) and (b) The Export Credit Guarantee Corporation of India Ltd. (ECGC) was set up in 1957 under the administrative control of the Ministry of Commerce and Industry. There is a proposal to set up a National Export Insurance Account (NEIA) under Export Credit Guarantee Corporation of India Ltd. to provide insurance cover to medium and long-term high value project exports with Government of India's contribution of Rs. 600 crore during the 10th Five Year Plan.

DR. AKHILESH DAS: At the outset, I would like to compliment the hon. Union Minister of Commerce, Mr. Kamal Nathji for taking effective steps for strengthening the Export Credit Guarantee Corporation. I want know whether it is a fact that large scale rejection of our exported goods, particularly perishable goods and foodgrains, and spices and the rejection of shipments, despite due clearance and certifications at different stages of exports, is the main reason requiring the constitution of the Exporters Insurance Fund and the Export Guarantee Corporation. If so, what is the number and details of the shipments so rejected and returned from various European and other destinations during the years 2002-03,2003-04 and April-January, 2004-05? What is the estimated loss suffered by the exporters; and what are the salient features of the insurance scheme contemplated for such losses?

MR. CHAIRMAN: Your supplementary does not come within the purview of the main question. You can put your second supplementary.

SHRI KAMAL NATH: Sir, I can give reply to one part.

Sir, the hon. Member asked about the rejections. Rejections that have been so far made would be supplied to the hon. Member separately.

The other part of his supplementary is whether the need for the National Export Insurance Fund was felt because of these rejections. I must say, Sir, the National Export Insurance Fund has nothing to do with rejections. The need for the National Export Insurance Fund was felt to cover medium-term and long-term insurance risk. At the moment, ECGC is covering short-term insurance risk. Especially, for medium and long-term insurance risk, which do not have reinsurance coverage, now that reinsurance cover is available to them at good prices.

DR. AKHILESH DAS: Sir, our biotechnology industry has the potential to be a global leader for supplying novel technologies and products to health and agriculture sectors. Indian pharmaceutical companies also have, time and again, declared their preparedness to produce drugs of international standards and to meet the challenges of new patent regime. In view of these facts, may I know what special support by way of credit guarantee is proposed to be extended to these sectors to promote export of above products?

SHRI KAMAL NATH: Sir, the pharmaceutical sector is a very important sector. During the course of today, when we discuss the Patents (Amendment) Bill, I will have an opportunity to highlight the importance of it.

The other thing is, it has exported this year to the tune of Rs. 16,000 crores. So, we are considering this as a very major growth sector which can have quantum jumps in the coming years. The Export Credit Guarantee Corporation, within its existing policy covers the short-term risk. I don't think that the pharmaceutical sector will be going into project-exports for which the Fund has been created. But the ECGC in itself, today, would be equipped to deal with pharmaceutical exports very easily.

New Commission for Centre-States relations

*304. DR. T. SUBBARAMI REDDY.†

SHRI GIREESH KUMAR SANGHI:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether Government have constituted an 11 -member high-powered Group of Ministers to finalise the terms of reference for the new Commission to study the Centre-State relations;

†The question was actually asked on the floor of the House by Dr. T. Subbarami Reddy.